

103
DEVELOPMENTS IN THE MIDDLE EAST
JULY 1993

Y 4.F 76/1:M 58/20/993-2

Developments in the Middle East, Ju...

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BEFORE THE
SUBCOMMITTEE ON
EUROPE AND THE MIDDLE EAST
OF THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRD CONGRESS

FIRST SESSION

JULY 27, 1993

Printed for the use of the Committee on Foreign Affairs



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DEVELOPMENTS IN THE MIDDLE EAST

TUESDAY, JULY 27, 1993

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST,
Washington, DC.

The subcommittee met, pursuant to call, at 10:30 a.m. in room 2172, Rayburn House Office Building, Hon. Lee H. Hamilton (chairman) presiding.

OPENING STATEMENT

Mr. HAMILTON. The meeting of the subcommittee will come to order.

The Subcommittee on Europe and the Middle East meets today in open session to discuss recent developments in the Middle East. The subcommittee last met in open session to discuss these developments on March 9. Secretary Djerejian testified before the subcommittee on foreign assistance issues related to the Middle East on April 28.

Our witness today, of course, is the Honorable Edward P. Djerejian, Assistant Secretary of State for Near East Affairs. We have a number of topics that will be of interest to the subcommittee today.

They include the escalation and violence in southern Lebanon and this past weekend's air strikes into Lebanon; the status, of course, of the Middle East peace process; U.S. policy toward Iraq and Iran; the situation in the Kurdish-controlled area in northern Iraq; Islamic Fundamentalists; and Persian Gulf security issues.

We have many questions we want to raise with the witness. The chair will enforce the 5-minute rule.

Mr. Secretary, we welcome you before the subcommittee today. I recognize, and I think the other members recognize, that it is a difficult time for you. Secretary of State Christopher, I am informed, is returning to the Department today for consultations on the situation in Lebanon before he returns to the Middle East. So we especially appreciate your taking the time to testify before the subcommittee today.

I also understand that you have to leave by 12 noon, so we will get you out at that time.

I am pleased to have you with us. Your statement, of course, will be entered into the record in full. You may summarize that statement or read it as you see fit, and I will ask Mr. Gilman if he has any comments.

Mr. Gilman.

Mr. GILMAN. Just a brief word to welcome the Secretary once again. We know he has been keeping his fingers right on the situation in the Middle East and we look forward to his review this morning of the current issues and the current status of the peace negotiations.

Thank you, Mr. Chairman.

Mr. HAMILTON. Any other statements?

Mr. HASTINGS. No.

Mr. HAMILTON. If not, Mr. Secretary, you may proceed.

STATEMENT OF HON. EDWARD P. DJEREJIAN, ASSISTANT SECRETARY OF STATE, BUREAU OF NEAR EASTERN AFFAIRS, DEPARTMENT OF STATE

Mr. DJEREJIAN. Thank you, Mr. Chairman.

Mr. Chairman and distinguished members of the subcommittee, when I was asked some time ago to come up to testify, we agreed to a briefing on the full range of issues in U.S. policy toward the Middle East. As you indicated, Mr. Chairman, I intend to fulfill that commitment, but I know that you are very concerned about the recent developments in southern Lebanon, so I will start my statement with some observations about the current hostilities. Afterward, I will review the peace process, Iraq and Iran, and offer some further comments on Islam and U.S. policy on this subject.

Following that, of course, I will be very pleased to answer whatever questions you and the distinguished members of the committee have.

VIOLENCE IN SOUTHERN LEBANON AND NORTHERN ISRAEL

Mr. Chairman, we are very disturbed by the latest escalation of violence in southern Lebanon and northern Israel. The decision to cut short Secretary Christopher's trip to Asia and Australia reflects the gravity with which the administration views the outbreak of hostilities. We have held intensive discussions with the governments concerned and have called on all the parties to exercise restraint.

Secretary Christopher, speaking from Singapore, noted that this violence is counterproductive for the peace process and said that we are working urgently with our Russian cosponsor to end this violence. We deeply regret this latest outbreak of violence in southern Lebanon and northern Israel.

The United States remains determined to advance the Arab-Israeli peace process and will not be deterred by those extremist groups who violently oppose peace. Secretary Christopher has stated that the Hezbollah has been an opponent of the peace process and that we must not let the opponents of the peace process undermine it.

We will continue to urge the parties to resolve their differences through negotiations and we will do our part to contribute to a settlement.

PEACE PROCESS NEGOTIATIONS

Mr. Chairman, and members of the subcommittee, the violence in southern Lebanon is yet another reminder of the urgent need to achieve a just, lasting and comprehensive peace in the Middle East.

Let me now describe for you the status of the negotiations. I will summarize part of this, some of it will be in the statement in full for you.

As the Secretary prepares for his second trip to the Middle East, I would like to give you our assessment of where we are in the negotiations since my last appearance before the subcommittee and to assess the process for progress in the months ahead. President Clinton and Secretary Christopher continue to attach great importance to the search for Arab/Israeli peace, and they believe there are real possibilities for breakthroughs in 1993. In the first instance, it is essential that the parties themselves take the decisions necessary to translate the promise of peace into a reality. The United States will continue to do everything it can to assist them in the effort. Our role continues to be one of a full partner and honest broker with all the parties.

After a prolonged hiatus, the bilateral peace negotiations resumed in Washington in May. Secretary Christopher exerted considerable efforts to create the conditions for the resumption of negotiations, including intensive and frequent consultations with the parties. The visits to Washington of Prime Minister Rabin, President Mubarak, and King Hussein also afforded President Clinton the opportunity to explore the prospects for peace and reaffirm his strong commitment to achieving progress in the talks.

DECLARATION OF PRINCIPLES

In May, and when negotiations resumed in June, the Israeli and Palestinian sides worked to narrow differences on a draft declaration of principles which would guide their negotiations on interim self-government negotiations. Each side put forward a draft. They created working groups in which they debated the concept of interim self-government and issues related to land and water. They also created a working group on human rights to deal with the conditions on the ground.

Mr. Chairman, the U.S. team spent many hours in intensive discussions and debate with both sides, designed to think through the positions they had put forward and to see whether ideas could be conceived to help bridge the positions.

On May 12, the United States put forward a short political statement which had two purposes: first, to convey to the Israelis and Palestinians a sense of movement in the negotiations; and second, to try to capture areas of emerging agreement in the respective Israeli and Palestinian positions. When the parties reconvened in Washington in June, the U.S. team continued working intensively with the two sides in an effort to narrow substantive differences. After nearly 50 hours of discussion, the United States put forward a draft on June 30 which was broader in scope, and which could serve as a basis for further discussion and elaboration between the parties.

Since then, Mr. Chairman, we have been in almost constant contact with the parties to hear their views and detailed comments on our draft. Our Special Middle East Coordinator for the peace talks, Dennis Ross, and I traveled with our team to the region several weeks ago to probe further for detailed reactions to the draft. We made clear that the draft is not a statement of U.S. policy, and it

is not set in stone. Rather, it is, and remains, a tool for the parties to use to overcome differences and reach a declaration of principles. Secretary Christopher will intensify this effort during his visit to the region. We believe this is a practical and workable way to proceed, and look forward to detailed substantive discussions with the parties.

We have also been discussing with the parties the concept of "early empowerment," that is, the early transfer to Palestinians of significant powers and responsibilities even before formal agreement is reached on interim self-government arrangements. In our discussions, we have made clear our view that such early empowerment is not an end in itself, nor a substitute for interim self-government, nor a new interim phase. Rather, it is an opportunity for Palestinians to start building institutions and preparing to govern themselves. We also hope to attract international financial support for this concept. Indeed, empowerment is the essence of interim self-government, and we are encouraging all sides to take it seriously.

I have focused on the Palestinian-Israeli track, but I also want to mention where things stand in the other bilateral negotiations and in the multilateral discussions.

SYRIA AND ISRAEL

Syria and Israel continue to negotiate over a declaration of principles. They remain divided over the core issues of withdrawal, peace and security, as well as over the relationship between bilateral and comprehensive peace.

From our recent discussions in the region with Prime Minister Rabin and President Assad, it is clear that these differences, however deep, have not changed both parties' fundamental commitment to negotiate peace. This sustained engagement by Syria and Israel is important.

Over the past months, President Clinton himself has been in contact with the leaders of both sides and we believe that active U.S. intermediation where we invest in and build on the ideas and proposals of the two parties holds real promise. Secretary Christopher will be pursuing this approach during his upcoming trip.

JORDAN AND ISRAEL

Jordan and Israel, as you know, have nearly concluded work on a substantive agenda and experts from both sides continue their intensive engagement on issues ranging from the environment to banking.

LEBANON AND ISRAEL

Lebanon and Israel have made some progress in narrowing differences on formation of a securities subcommittee. Both sides have submitted drafts and the Lebanese are now considering the latest Israeli proposals made as the negotiations adjourned in June. Despite the escalation in Lebanon, it is our intent to pursue these efforts with both the Lebanese and Israelis in the weeks ahead.

MULTILATERAL NEGOTIATIONS

On the multilateral negotiations, Mr. Chairman, this aspect of the process is working well. As I have noted before, the multilateral track is designed to facilitate and complement the bilateral negotiations. One of the goals of the multilateral negotiations is to demonstrate that peace will bring concrete benefits to all the peoples of the region.

This includes not only the parties in the bilateral negotiations but also states in North Africa and the Gulf. Earlier this month I had the privilege of cochairing the meeting in Moscow of the multilateral steering group along with the Director for the Middle East and North Africa from the Russian Foreign Ministry. Other participants were Israel, a joint Jordanian/Palestinian delegation, Egypt, Saudi Arabia representing the Gulf Cooperation Council, Tunisia representing the Maghreb, the EC, Japan and Canada.

Despite our continuing urging, Syria and Lebanon have yet to participate in the multilateral phase of the peace process. They say they will not attend until there is more progress in the bilaterals.

I would like to point out, Mr. Chairman, that Israel and diaspora Palestinians now participate in all the working groups, and the United Nations is now represented in all groups as well.

The steering group in Moscow produced a number of positive results. We believe there is major symbolic significance in the groups agreeing for the first time to convene two of its five working groups in the Middle East region this fall, the refugee group in Tunisia and the environment group in Cairo. This is no small accomplishment. Leading the way in this effort, Egypt hosted an intersessional workshop in arms control and regional security in early July.

It is a further measure of progress that the group agreed in Moscow on language for the final statement to encourage badly needed financial support for the Palestinians in the West Bank and Gaza. Namely, as part of its aim of stimulating regional economic development, the steering group recognized the particular needs of the Palestinians as they moved toward interim self-government. The steering group also expressed its hopes that additional funds will be made available to the Palestinians to meet their current pressing needs and responsibilities and those that might be assumed even prior to agreements reached between Israel and the Palestinians on interim self-governing arrangements.

The five multilateral working groups are making progress, Mr. Chairman, in addressing some of the region's fundamental needs. I have described in my statement, and I will not repeat that in my oral presentation, exactly what is happening in the five working groups.

U.S. COMMITMENT TO PEACE PROCESS

Before I move on to other topics, Mr. Chairman, I would like to make an important point about the continued U.S. commitment to the peace process. Two factors are key, that the parties themselves are committed to the process; and that the issues are amenable to being worked out in these negotiations.

So long as these two conditions obtain there is a basis to make real progress and we are prepared to do our part.

If you allow me, Mr. Chairman, and members of the subcommittee, I would like to turn to Iraq and give you our assessment of the current state of affairs and then I will address our policy toward Iran.

IRAQ POLICY

The fundamental precepts of our policy on Iraq have remained consistent from the beginning of the administration. We seek Iraq's full compliance with all relevant United Nations Security Council resolutions and with all measures taken by the coalition to monitor and enforce those resolutions.

This, Mr. Chairman, is a long-term policy which keeps in check the threat from Iraq to our vital interests in the Gulf region. It is consistent with our resources, broadly supported internationally, and by key regional states, and sustainable over time. Our concerns include not only a focus on physical threats to our interests, but a broader determination to see Iraq move one day to a democratic future with a government which can live in peace with its own people as well as its neighbors.

This administration's resolve against Iraq's lawlessness is and will remain unwavering as demonstrated by the strike against Iraqi intelligence headquarters in response to the attempted assassination of former President Bush.

I must tell you that we see no evidence that the government of Saddam Hussein is prepared to comply fully with the U.N. resolutions. Iraq's initial refusal to allow UNSCOM cameras at missile production facilities was in conflict with an absolutely central provision of the resolutions requiring long-term monitoring of weapons production capabilities. This is found in U.N. Security Council Resolutions 687 and 715.

There is no alternative to Iraq's full compliance. Without long-term monitoring, all the work to date on weapons destruction would be wasted. I would add that this is an issue on which support in the Security Council is very strong. We intend to continue close cooperation with our allies to assure that the mission of the United Nations Special Commission on Iraq is fulfilled.

In order to alleviate some of the suffering visited on the Iraqi people by Saddam Hussein's rule, the United States, Mr. Chairman, supports implementation of Resolution 706 and 712 which allow Iraq to sell oil to finance the purchase of food and other basic supplies. The resolutions require that the U.N. control Iraq's overseas oil sales, and the proceeds from those sales, to ensure that they are used to fund humanitarian supplies and U.N. operations in Iraq. Under these resolutions the U.N. would also monitor the distribution of humanitarian supplies. It is essential that the implementation of Resolution 706 and 712 not become a back door to the lifting of sanctions without full compliance with all relevant resolutions.

The last round of talks with Iraq were recessed without result. We will be watching intensively to ensure that any agreement fully meets the need for adequate monitoring of both the sale of the oil

and the distribution of humanitarian items to all the people in Iraq not just to the supporters of the regime.

For example, we believe that Saddam Hussein's continuing blockade of northern Iraq is inconsistent with the requirements of 706 and 712 and must be lifted. Additionally, as agreed in Resolution 712 and in order to maintain adequate monitoring, we strongly support the use of the Turkish pipeline to transport Iraqi oil pursuant to these two resolutions 706 and 712.

Our efforts to limit repression under U.N. Council Resolution 688 continue consistent with our goal of maintaining the territorial integrity of Iraq. In the South, the no-fly zone has prevented Iraqi air attacks and limited large scale offensive action. Smaller-scale repression by Saddam Hussein's forces continues as do efforts to drain portions of the marshes and burn villages. The situation would be far worse, in our view, were coalition aircraft not overflying the area on a daily basis.

In the North, Operation Provide Comfort was recently renewed by the Turkish parliament. We welcome Turkey's action which was taken by a large majority and which demonstrates Turkey's ongoing support for the Coalition.

Our humanitarian concern for the people of Iraq, Mr. Chairman, is steadfast. In June we participated actively in a conference in Geneva which set priorities for international assistance programs. We continue to press our allies in the U.N. for creation of a commission to investigate Iraq's war crimes and crimes against humanity.

In the North, our goals are to prevent a crisis next winter and to begin rehabilitation for the most destitute population impoverished by Iraq's relentless embargo of its own people. Our relief efforts were strengthened by the additional \$23 million appropriated in the Defense Department supplemental appropriation. A part of these funds will go for local purchase of crops to avert a shortage of grain this winter. We continue to support relief in southern and central Iraq with consideration given to the need to monitor distribution adequately.

In all of these areas, we see the need for consistency, strong U.S. leadership, and the maintenance of broad international support. We have that support. The coalition is fundamentally solid. We will continue to enforce the U.N. resolutions and to demand Iraq's full compliance now and in the future.

At the same time we will continue to hold out the prospect of cooperation and the lightening of burdens to a future Iraqi leadership committed to a representative government that reflects Iraq's diverse population and which is willing to live in peace with its own people and its neighbors.

IRAN POLICY

Let me now make a few comments on our policy toward Iran.

Our differences with the Iranian Government grow from our deep objections to specific Iranian behavior. These objections focus on five areas.

First is Iran's quest for nuclear and other weapons of mass destruction. We are working with our allies to develop a consensus on multilateral controls on the export of sensitive technology to Iran. We are particularly concerned with preventing Iran from ac-

quiring the means to produce and deploy nuclear weapons and other weapons of mass destruction as well as ballistic missiles.

Second is Iran's continued involvement in terrorism and assassination worldwide. Since 1988 Iran's record of assassinating political dissidents forms a consistent and continuous pattern reflecting Iranian policy approved at the highest levels. Until it abandons support for terrorism and terrorist groups, we will maintain existing unilateral counterterrorism sanctions on Iran.

The third area of Iranian behavior to which we strongly object is its support and advocacy of violence to stop the Arab-Israeli peace process. Iran's efforts to mobilize extremist groups both Islamic and secular against the peace process is especially troubling. Iran continues to call publicly at the highest levels for the destruction of Israel. The fighting in southern Lebanon today has been a deliberate provocation by Hezbollah, a terrorist organization which receives extensive support from Iran.

The fourth aspect of objectionable Iranian behavior is its threats and subversive activities against its neighbors.

Fifth is Iran's dismal human rights record which is a matter of continuing concern.

Our longstanding sanctions remain. In addition, we seek increased and focused bilateral and international pressure to convince Tehran that it cannot hope to have normal relations with the international community while acting against the norms of that community.

Mr. Chairman, we do not seek a total embargo or quarantine of Iran. Instead we are focusing our efforts on those areas we believe would have maximum impact on Iranian calculations of the costs and benefits of their behavior. I want to underline behavior.

We are taking active steps to support this policy. At President Clinton's suggestion, the Tokyo G-7 summit political declaration for the first time alluded specifically to Iran's unacceptable behavior.

When Secretary Christopher met with the EC and Canadian Foreign Ministers in Luxembourg in June, he reached an agreement on the formation of a US-EC-Canadian working group on Iran. I led our delegation in the first working group session on July 9 in Brussels which began discussion on a common agenda for future work. We are engaged in a parallel effort with Japan.

On a separate track, we are pursuing efforts to reform controls on sensitive technology exports. Under Secretary Davis recently began intensified consultations with G-7 states to give this process new momentum.

Let me make our policy clear, Mr. Chairman, we do not seek to overturn the Iranian Government nor to dictate the form of that government.

We do intend to use extensive economic pressure to induce Iran to change the behavior we find unacceptable. Our focus is, as I said, on Iranian behavior. This distinction is central to our efforts to enlist key allies in efforts which complement our own. It also makes clear to Iran that changes in its behavior will serve the broader interests of the international community and Iran's own interests if it seeks to be a full-fledged member of the community of nations.

Our policy does not exclude dialogue with Iran. Indeed, it is important that Iran understand us clearly on this point. Our offer of a dialogue with authorized Iranian representatives remains valid. We have no preconditions for such a dialogue.

We have, however, made clear that we will bring our full range of concerns to the table. Until Iran chooses to respond to this offer, we continue an indirect dialogue through the Swiss. In any case, normal relations with Tehran are impossible as long as Iran continues to engage in its current behavior.

ISLAM AND U.S. POLICY

Finally, Mr. Chairman, let me conclude with a few words about a subject I have addressed in the past before this committee but which warrants our continuing close attention, particularly in light of heightened public concerns caused by the World Trade Center bombing and the attempts against other targets in the New York area, that is Islam and U.S. Government policy.

As Secretary Christopher, I, and other administration spokespersons have made clear, we view Islam with profound respect. As a civilizing force in history, it has enriched our own culture, and it is the religion of many American citizens. We reject the notion that a renewed emphasis on traditional values in any parts of the Islamic world must lead inevitably to conflict with the West. We do not regard Islam, as I have stated before, as the next "ism" replacing international communism.

There are certain manifestations of what some have described as an Islamic revival which are cause for concern but we need to be clear about the nature and provenance of potential threats to U.S. interests, otherwise we may fall victim to misplaced fears or faulty perceptions.

What does our analysis show?

It shows that throughout the Middle East and North Africa today that there is widening debate over Islam's role in society seeking to cope with pressures of modernity. What is striking about this debate is its diversity from one country to another.

While we detect no monolithic international effort behind various Islamic movements, we are seriously concerned over Iran's exploitation of Islamic extremist groups throughout the region and over Sudan's role in supporting such groups in North Africa. Increasing coordination between such regimes and extremist groups and their resort to terrorism needs to be watched very closely.

In the last analysis, however, it should be noted that social injustice, the lack of economic, educational and political opportunities, gives the extremists their constituency in each country.

The United States can and does have close relationship and dialogue with states which describe themselves as Islamic and seek to govern in accordance with the traditions of Islam. Also, we have taken the lead internationally in a number of instances to alleviate Muslim suffering in Kuwait, Somalia and northern and southern Iraq.

Further, our efforts in trying to achieve an Arab/Israeli peace settlement is based on a fervent desire to bring peace and prosperity to all the peoples of the region.

But let me be clear, we part company with those individuals and governments who seek to advance their agenda through violence, through terror, through intolerance, or through coercion. Our quarrel is with extremism whether in a religious or secular guise and we will oppose it through all appropriate means whether it occurs on the streets of New York or Mogadishu. I would join in praise for the law enforcement agencies which have thwarted acts of terrorism both here and abroad.

Those who seek to promote social justice and broaden political participation in Middle East and North Africa through peaceful means will find us supportive as we have been elsewhere. But those who would use the democratic process merely to achieve and monopolize political power will not find us on their side. As I have said before while we support the principle of one man/one vote we do not support one man/one vote/one time.

CLOSING STATEMENT

Mr. Chairman and members of the subcommittee, I would like to close with a perspective based on my years as a public servant and someone with long experience in the Middle East and as a son of immigrants.

America's strength lies in its respect for law combined with its tolerance of the customs, religions and practices of the many immigrants who have made this country great. These noble attributes attract people to our shores and cause other nations to emulate our system. We must never permit the actions of a violent minority of any creed or origin to form our attitudes toward entire groups.

While we must be vigilant in protecting our basic values and democratic way of life, we must determine what we have in common with other societies. While there are important differences, we and the vast majority of peoples in the Middle East share common aspirations of peace, social justice and prosperity for ourselves and our children.

As the President and Secretary of State have said repeatedly, we cannot separate our foreign from our domestic policies. The success of our policies in the Middle East rest more than we might imagine on a perception that the United States is a land of vigilance wedded with tolerance, firmness and guided by fairness.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Djerejian appears in the appendix.]

Mr. HAMILTON. Thank you very much, Mr. Secretary.

I understand Mr. Gilman has to leave shortly, so we will turn to Mr. Gilman to begin questions.

Mr. GILMAN. Thank you, Mr. Chairman.

I have to go to a meeting at the White House and I want to thank you, Secretary Djerejian, for a very thorough review of what is happening in the Middle East. I want to acknowledge the drafters of the declaration of principles in their attempt to provide early empowerment.

EARLY EMPOWERMENT OF THE PALESTINIANS

Can you tell us, Mr. Secretary, when and where the delegations are expected to meet again and what you anticipate to be a date for early empowerment of the Palestinians?

Mr. DJEREJIAN. Congressman Gilman, we are now, as you know, in intensive discussions with the Israelis and Palestinian on interim self-government arrangements and early empowerment and as we have briefed the committee, we are working very hard on a draft. I have to underline draft declaration of principles which would include some of these concepts and give the political framework for the Israeli-Palestinian talks to move forward.

Secretary Christopher on his upcoming trip to the Middle East will be discussing this very issue with both the Palestinians and Israelis in our effort to move forward on the fundamental issues that underlie this exercise of the draft declaration of principles and the concept of early empowerment, interim self-government, a transitional phase and permanent status negotiations.

We hope that this trip will push this effort forward, after which we will then consult with the parties in terms of when we schedule the next session of negotiations, which I expect would occur some time right after the summer.

PEACE TALKS

Mr. GILMAN. A July 23 article in the *Washington Post*, Mr. Secretary, indicated that there were serious doubts about the Middle East talks and that there was a clear erosion of support for the Madrid rules.

How would you characterize that?

Mr. DJEREJIAN. We have not detected in our very close discussions and consultations with the parties, Arabs, Palestinians, and Israelis, any wavering from what we have seen over the last 21 months of a sustained commitment to engage seriously in the Arab-Israeli peace talks. Therefore, we don't see any diminution of commitment to this process, Mr. Congressman.

There are many reports as to the frame of reference of the negotiations, but the focal point on the Israeli/Palestinian negotiations are what we have just discussed, the declaration of principles, the interim empowerment, a transition phase, and moving into final talks.

On the Syrian/Israeli talks, in our contacts with the leadership of both countries, the sustained commitment is there to move forward on their own declaration of principles and try to resolve the issue of conflict or peace. On the Lebanese/Israeli issues, we have seen serious engagement in the last session, and we are continuing to consult in the intersessional periods on both sides on the Israel/Lebanon talks under which the land, peace and security can be addressed and the Israelis and Lebanese can engage in military-to-military talks on the security situation.

That goes also for the Israeli/Jordanian talks which have made quite a bit of progress. So the commitment is very much there, Mr. Congressman.

TERRORISM

Mr. GILMAN. There have been a number of terrorist groups as well as countries that give them safe-haven that are trying to undermine the peace process.

Israeli Prime Minister Rabin states that the Jahil and Hezbollah organizations are coordinating their actions and using weaponry that comes from Iran to Damascus and these groups are trying their best to undermine the peace process.

In our discussions with Syria, how does Syria interact with our dual containment policy, and what are we doing about Syrian involvement and support of terrorists? Are we raising that with Syria?

Mr. DJEREJIAN. We have a very frank and direct dialogue with the Syrian leadership on all these issues that you have mentioned, Congressman Gilman.

First of all, the dialogue between the United States and Syria on terrorism, as you know, is longstanding. We have consistently urged the Syrians to end their support in granting safe-haven to various groups that are involved in terrorism and are on Syrian and Lebanese soil where Syrian troops are garrisoned. Our consistent policy has been that in terms of Syria's status on the terrorism list, we would like to see Syria obviously cease safe-haven for some of these groups.

Some of these groups, as you stated, opposed to the Arab-Israeli peace talks, such as the PFLPGC, make no secret of that both in words and deeds as has been demonstrated in the last few days, certainly Hezbollah which is very active in the south of Lebanon.

We are now involved in the wake of the escalation of violence in fighting in both southern Lebanon, in Lebanon and in northern Israel. We are involved with diplomatic efforts in Damascus, in Beirut and in Tel Aviv, not only asking for restraint and a cooling down of the situation, but basically to try to get to some of the fundamental causes of the fighting and to rein in these groups. It is no secret if you look at the last 21 months of the Madrid process, it is no accident that very frequently before a session of negotiations convenes, before there is some event like a Secretarial visit to the region, that there has been an upsurge in violence.

Mr. GILMAN. I would assume as we get closer to any peace arrangement we will have even more violence as they try to further undermine the process.

Mr. DJEREJIAN. I agree with that.

Mr. GILMAN. I would hope the State Department is going to give a greater amount of attention to the counterterrorism efforts that we have focused on in our hearings here in the Congress, and the lax kind of attention we have given in the past that have given people like the sheikh the opportunity to go back and forth freely. I would hope that you will take a good hard look at all of those problems.

Mr. DJEREJIAN. We will do that.

Mr. GILMAN. Thank you, Mr. Chairman.

Thank you, Mr. Secretary.

ESCALATION OF VIOLENCE

Mr. HAMILTON. Mr. Secretary, I would like you to comment a little further if you would on this escalation of the cycle of violence we have seen in the last few days. What is behind that now? Why do we have that escalation of violence now? And what are the implications of it for the peace process and Secretary Christopher's trip?

Mr. DJEREJIAN. First, Mr. Chairman, in the past 2 weeks, Hezbollah and the PFLPGC, the two organizations we just commented on, launched a series of attacks on Israel and the South Lebanese Army, which operates in the Israel self-declared zone in the south of Lebanon, as you know, and killed six Israeli soldiers. In response over the past weekend, Israel launched a large scale air, naval and artillery attack, and Hezbollah and PFLPGC—

Mr. HAMILTON. Do you think the Hezbollah attacks in south Lebanon were caused by a desire to disrupt the peace process. Is that the principal motivation?

Mr. DJEREJIAN. I believe that is the case, sir. And it is not the first time. And it is no secret.

Hezbollah has very vocally stated its opposition to the Arab-Israeli peace process and has translated that policy in violence and acts to disrupt that process. Again, it is no accident, also, that Hezbollah's main patron, Iran, is also diametrically and publicly opposed to the Arab-Israeli peace process.

Mr. HAMILTON. Has Hezbollah strengthened their position in south Lebanon in the last several months?

Mr. DJEREJIAN. They have certainly become more active and I think they have organized themselves in a more effective manner to launch these attacks.

Mr. HAMILTON. What is the Syrian role in this situation? Do they control such that if they were so disposed to stop Hezbollah they could stop it?

Mr. DJEREJIAN. There are two aspects of this. One in terms of Hezbollah's presence in the very south of Lebanon, there they act rather autonomously because there are no Lebanese armed forces or Syrian troops there in the very south of Lebanon. But where the question arises is Hezbollah's ability to rearm, to obtain logistical support, to obtain the funding and all the support it gets from Iran. That is a question which involves other parties and also Syria's influence on what it can do about that.

DIALOGUE WITH IRAN

Mr. HAMILTON. I was especially interested in your testimony with respect to Iran and your indication in your testimony of your willingness to engage in a dialogue with Iran, and I was thinking of the dual containment policy that had been announced earlier by the administration. There seemed to me to be a very different emphasis in your comments in your testimony this morning and the dual containment speech of May 18 which one of the members of the National Security Council gave.

Is that correct? Are you altering that dual containment in any respect or restating policy? Clarify that for me, if you would.

Mr. DJEREJIAN. Well, what I have stated on our policy toward Iran and Iraq is the administration's policy, Mr. Chairman. I think the phrase that you referred to was used to distinguish current policy, which treats Iran and Iraq individually along the lines that I described in my statement, from previous efforts to use one country to balance off the other country.

It was never intended to mean that Iran and Iraq policies are identical. You could obviously see from my explanation of what our policy toward Iraq is and my explanation of what our policy toward Iran is there are obviously distinctions.

Mr. HAMILTON. Would you describe policy toward Iran today as a containment policy?

Mr. DJEREJIAN. I think it is a policy of elaborating—well, it is a policy focusing on how to alter Iranian behavior and using whatever international pressure and support we can get to alter that behavior.

Mr. HAMILTON. And you were prepared at any point to speak, meet with authorized representatives of the Iranian Government without precondition, as I understand your statement.

Mr. DJEREJIAN. That is correct, but with the clear understanding that the issues that I outlined are the issues that will be brought to the table.

Mr. HAMILTON. Now, we have no discussions with the Iranian Government today. Is that correct?

Mr. DJEREJIAN. Only indirectly through the Swiss who are our protecting power.

Mr. HAMILTON. Are there any discussions going forward in the Hague with regard to claims?

Mr. DJEREJIAN. Yes, yes. That process continues independently, Mr. Chairman.

Mr. HAMILTON. OK. But at this point at least the Iranians have shown no interest in engaging in a dialogue with us. Is that correct?

Mr. DJEREJIAN. That is correct.

Mr. HAMILTON. And you make very clear in your statement that there are areas of specific behavior that we object to, but we are not objecting to the Iranian Government as such. We don't seek to overturn it?

Mr. DJEREJIAN. That is correct.

Mr. HAMILTON. Mr. Deutsch.

Mr. DEUTSCH. Thank you, Mr. Chairman.

Sort of as a followup to the chairman's questions, the fact that Syrian soldiers apparently were killed in this latest Israeli operation, does that escalate the violence and the threat to the peace process more than previous actions?

Mr. DJEREJIAN. Well, I think we can never be too comfortable with the risks of escalation of any fight in the region. Certainly any actions between Israel and Lebanese and/or Syrian forces. The fact that there are reports of Syrian casualties obviously has been noted and it just underscores in our view of the risks of escalation and the need for all the parties to now act with restraint, so that these hostilities can cease and that the situation doesn't get out of hand. The risks of miscalculation are ever-present in the Middle East, Congressman Deutsch. I think you know that very well. And hav-

ing lived in the Middle East in many, many assignments, there is always the risks of miscalculation leading to a larger escalation of fighting.

That is why Secretary Christopher has called immediately for restraint, ending these hostilities and keeping the focus on truly the only structural way out of these conflicts which is Arab-Israeli peace settlement.

Mr. DEUTSCH. And I guess sort of a followup to that question, the proposed drafts that America has made both in terms of the bilateral negotiations between the Israelis and the Palestinians, and the Israelis and the Syrians, can you tell us in this setting what those specific proposed drafts are proposing? I mean what are the specifics of those and how probable are the acceptance of the parties?

Mr. DJEREJIAN. I can't get into too much detail in a public session on the details of what is contained in these drafts, Congressman, but certainly, as I explained in my opening statement, the purpose of the exercise with the Palestinians and the Israelis is to establish the political framework, the declaration of principles which could then be the basis upon which they can move toward interim self-government for the Palestinians, early empowerment, a transitional phase from interim self-government, and arrangements for permanent status talks.

There are many issues that are involved in establishing interim self-government arrangements and what we are talking about here is transfer of authorities to the Palestinians so they can start governing themselves and begin the whole process of empowerment.

We feel that as they assume authorities, as they assume political empowerment, this will begin to change the conditions on the ground in the occupied territories. It will be a confidence-building scenario which can enhance the further prospects for the negotiations on the subsequent issues that have to be discussed between the Israelis and Palestinians.

On the Israeli-Syrian track, as you know in the sixth round of negotiations, both sides made considerable progress in dealing with the key issues of land, peace and security. Ever since that time the major issue in the Israeli-Syrian track is how to get an understanding between the Israelis and Palestinians on the fundamental issue of withdrawal and peace.

This is what we are concentrating on now in our very intense and detailed discussions with both the Syrian leadership, President Assad, and with the Israeli leadership, Prime Minister Rabin. Those efforts will continue and Secretary Christopher will pursue this when he is in the region next week.

U.N. RESOLUTIONS ON ISRAEL

Mr. DEUTSCH. A final question, when Secretary Christopher was confirmed, he said the administration would no longer be putting its name on one side of resolutions condemning Israel in the U.N., as the Bush administration had.

To your knowledge, has the U.N. Security Council considered any one-sided resolution on this recent activity?

Mr. DJEREJIAN. I have been personally involved in this yesterday and today in terms of the possible moves in the United Nations Security Council and there has been a pause in New York in terms

of setting aside some time to see if the situation on the ground can improve before any further action is taken.

Mr. DEUTSCH. Thank you.

Mr. HAMILTON. Mr. Hastings.

Mr. HASTINGS. Thank you very much, Mr. Chairman.

U.S. INITIATIVES

Mr. Secretary, I would like to lead the rudiments of my question by prefacing it with a few comments. I am convinced that the State Department and President Clinton and the administration in general are doing everything they can to accelerate the peace process and to assure peace in the Middle East.

I am equally convinced that boldness is required in the diplomatic arena and sometimes because tried and true methods seem to capture the imagination of those who are fostering diplomacy, perhaps from time to time that boldness is muted. I would hope that we would be prepared to do some things differently than we have done. I am not certain that we are going to get true peace through this process as you have put it forward. Let me suggest a couple of bold things.

It may sound very elementary, but there are peace delegates who are here on a regular basis now from the Middle East operating on the two tracks, the Palestinian and Syrian track, and I am just curious as to what would happen if the White House were just to invite them all to the White House for a social gathering just to hob-nob and perhaps at that meeting have the chairman of this distinguished body and maybe several others who could hob-nob with them.

I continue to suggest it, I think you have heard me say that the President ought to visit the Middle East. I recognize that the Secretary is going there, laboring under the constraints of escalating violence that has just taken place, but I urge that following that visit that some thought be given to the President's involvement at an even greater level than he has been involved in talking directly with the principals who are involved in the peace process.

Towards that end, I would urge again that President Clinton visit the Middle East. I do believe it would make a substantial difference.

I also think whatever Carter and Sadat did, somebody needs to revisit that and find out is there room in the peace process for the principals to maybe go to Camp David or somewhere so that these people can sit down and come to some realizations that are both political and substantive and I just urge those as potential things to consider.

PROLIFERATION IN THE MIDDLE EAST

Mr. Secretary, my one question is rooted in your testimony regarding religious extremism and your suggestions about unstable governments and my belief in the growing nuclear capabilities of countries in the Middle East. Can you tell us just exactly what the biggest threat in your opinion is to America in the Middle East as we speak?

Mr. DJEREJIAN. I think—first of all, I appreciate your comments, Congressman Hastings, on the peace process. I can assure you that

both President Clinton and Secretary Christopher are very personally and deeply involved in the whole effort of peacemaking and that the President's involvement, especially in the Israeli/Syrian track, is very important. Secretary Christopher's visit, the very first trip he took as Secretary of State, was to the Middle East, as you remember, in order to remove—you remember at that time the obstacle was the Hamas deportees that he successfully did with Prime Minister Rabin and King Hussein I.

The ideas you have discussed I certainly will convey to the administration. There is no question in my mind that at the end of the day the involvement of the Secretary of State and the involvement of the President are absolutely necessary in terms of the United States fully playing its part in the role as honest broker. There is no question of that.

In terms of threats in the Middle East, Congressman, there are many, but let me just try to prioritize.

Certainly a major threat that we must avoid at all costs and that is why we are dealing with the peace process, is another Arab-Israeli war. That leads me immediately to the perhaps concomitant threat to our interests which is the proliferation of weapons of mass destruction. I can only speak for the Middle East for which I am responsible, but it is not only restricted to the Middle East.

But certainly the proliferation of nuclear, chemical and biological weapons and surface-to-surface missiles to launch those weapons is an extremely dangerous threat to U.S. interests because we have very serious commitments and interests in the Middle East. One we have just talked about, the sensitivity to the Arab-Israeli equation, and the other is the Persian Gulf and the vital energy resources for the democracies in the world. We just fought a war in the Persian Gulf related to these issues.

That is why in elaborating in much detail as I did in my opening statement on our policy toward Iraq and Iran, it is absolutely essential that we stem the growth of weapons of mass destruction in this region. That is why it is so critically important that we remain steadfast in implementation of Resolution 715, which is long-term monitoring of Iraq's weapons of mass destruction. That is why it is so critical that we elaborate a coherent policy with our allies in Europe, the Japanese, the industrialized world, to stem the flow of any equipment, material, research, knowledge, to countries such as Iran that have a real interest and a program for developing weapons of mass destruction.

I would name those two as perhaps the two most major threats to U.S. interests.

There are others; I don't want to be criticized for not mentioning terrorism and other issues. But those are the two major ones.

Mr. HAMILTON. Would the gentleman yield?

Mr. HASTINGS. Most assuredly, Mr. Chairman.

IMPORT OF IRANIAN OIL

Mr. HAMILTON. Under Presidential orders, we prohibit the import of Iranian oil into this country I believe; do we not now?

Mr. DJEREJIAN. I believe that is correct; Mr. Chairman.

Mr. HAMILTON. But what we don't do is we do not prohibit U.S. companies from buying Iranian oil. My understanding is that

American oil companies are today the largest customer of Iran for oil and that they have purchased something like \$4 billion worth of Iranian oil. Now, how can we effectively get our allies to stop trade with Iran if U.S. companies are permitted to buy Iranian oil?

Mr. DJEREJIAN. You are putting your finger, as usual, Mr. Chairman, on a very complex and very difficult problem.

One of the major problems of course is that oil is very fungible on the open crude market and it is very difficult in the whole scheme of the sale of oil to identify where it is coming from.

That is one problem that makes this issue very difficult to deal with.

But let me give you a much more studied response in writing on that issue.

[The information follows:]

We seek to halt trade with Iran in strategic and dual-use items and technology. We also seek an increase in economic pressure, primarily by withholding credits. However, it is not our policy to stop all Allied trade with Iran or to urge them to cease importing Iranian oil. It is our view that such an approach would fail, and that it would undermine our efforts to put pressure on Iran in areas of most acute concern.

We have examined closely the question of U.S. companies purchasing and reselling Iranian oil overseas. At this time, we can identify no clear benefit in terms of our policy objectives which would result from barring U.S. companies from engaging in this trade. A ban would have no significant negative impact on Iran, which sold its oil for years without choosing to make use of U.S. companies. A ban would, however, harm U.S. companies engaged in legitimate business, whose role could easily be replaced by foreign competitors. We would simply be turning over U.S. companies' share of the market to these competitors.

SALE OF BOEING AIRCRAFT TO IRAN

Mr. HAMILTON. You might also include the position of the administration with respect to the sale of Boeing commercial aircraft to Iran.

Do you want to comment on that now or submit that?

Mr. DJEREJIAN. I would prefer to submit that in writing, also.

Mr. HAMILTON. OK.

[The information follows:]

The administration is still considering Boeing's application for a license to sell civilian aircraft to Iran. No decision has been made yet.

Mr. HAMILTON. Mr. Engel.

Mr. ENGEL. Thank you, Mr. Chairman.

First let me say, Mr. Secretary, that with the change in administrations I am delighted that you have the same very important and sensitive job. Those of us on the committee who have worked with you through the years, I know I speak for the entire committee, are happy to see you in this continued role. I just wanted to say that.

Mr. DJEREJIAN. Thank you, Mr. Congressman.

SYRIA'S ROLE IN VIOLENCE IN MIDDLE EAST

Mr. ENGEL. The chairman mentioned Syria in terms of the goings-on in Lebanon and southern Lebanon today. It seems to me the fact that Syrian troops were killed, that there is Iranian-Syrian complicity, that Hezbollah is—it would seem to me if the Syrians wanted to rein them in, could make an attempt to do so and really have not. Doesn't that say something about the Syrian intentions

or the Syrian sincerity in terms of really wanting to see progress in the peace negotiations?

Mr. DJEREJIAN. This is an issue that we have discussed very directly with the Syrian leadership most recently. We have been urging both the Syrian Government and the Lebanese Government to do everything they can to rein in Hezbollah and to really look at the long-term implications of allowing Hezbollah to continue to disrupt or try to disrupt Arab-Israeli peacemaking, and to take a hard look at what Hezbollah's political agenda is because it is not only its opposition to the peace process, but also its agenda for Lebanon which is the establishment of an Islamic republic in a country that has been a cornerstone of multiple concessional existence.

We consider Hezbollah to pose a very serious threat both in terms of peacemaking and also in terms of its own domestic political agenda as supported by Iran. We have had very in-depth discussions with the Syrian leadership and with the Lebanese leadership, to have them do whatever they can to control, to try to influence, and to at least stop the resupply of Hezbollah in Lebanon.

Mr. ENGEL. I certainly couldn't agree more in terms of the resupply.

In your testimony, you mentioned that Syria and Lebanon have yet to participate in the multilateral phase of the peace process. I would say it is certainly clear to me that Syria controls or has strong influence over what the Lebanese Government says and does, and it just seems that Syria, I think, could be much more helpful if it chose to do so.

Prime Minister Rabin's government has recently made a number of concessions to the Palestinian side in the negotiations. Certainly more concessions than the previous Israeli Government. And while we have high hopes and from time to time we hear stories about potential breakthroughs, I think that it has been disappointing, that there really hasn't been such a breakthrough.

I can't imagine an Israeli Government being likely to make any more concessions than possible than the Rabin government has been doing. If you look at the concessions the Rabin government has made and the fact that Hezbollah is trying to continue to disrupt, it would seem to me on the Arab side if real progress could be made, this is a window of opportunity that might not remain open much longer.

How do you assess the seeming, I think, intransigence of the Palestinian side at this juncture raising issues like the final status of Jerusalem, which they know has to be an issue that would bog down negotiations even further? Why at this juncture do you see this happening?

Mr. DJEREJIAN. Well, I couldn't agree with you more, Congressman Engel, that there is a historic moment of opportunity here for making peace. And it is based not only on the geopolitical situation in the Middle East in the post-cold war period. Plus, after Desert Storm where the basic equation has changed in a very important way in the Middle East, we have leaders in place in each one of the countries that have certainly reaffirmed most recently to us when we were in the region that they are committed to making peace and seizing this opportunity. All have agreed that this year

is an important year, that tangible progress must be made this year in order to sustain the Arab-Israeli peace process.

It is difficult to explain some of the hesitations on the part of the various parties, but certainly Prime Minister Rabin has made very clear that he would like to move forward on a Israel/Palestinian settlement; he would like to move forward on the ownership tracks, also.

President Assad made clear to us that he thought that this year was an important year to make progress on the peace process. The Lebanese leadership has told us the same thing.

The Palestinians, Faisal Husseini, have told us the same as has King Hussein and the Jordanian leadership. All the players seem to be in place at this historic moment to make peace. So that is the second major factor other than the geopolitical, I think it is the biographic factor. I think your question—the only answer I can give is that the Palestinians are very concerned that in their track what is negotiated in the transitional phase in interim arrangements not become permanent. This is—they seek many, many assurances that the process somehow won't stop in midstream and that what they are left with is just interim arrangements and not discussion and negotiation of final status issues.

We have certainly, as the cosponsor, as have the Russian, and as have the Israelis, underscored the interlock according to the Madrid process between interim self-government and final status negotiations. That is there; and the final status negotiations beginning with the third year of interim self-government arrangements, final status negotiations will begin based on U.N. Resolutions 242 and 338. These are final status negotiations. Also, when we talk about early empowerment that we discussed earlier during this session here with you, and as I tried to make clear in my statement, early empowerment is not a formula for things stopping there. In fact, it is a building block for early empowerment to lead to interim self-government arrangements, to lead to final status talks.

So, again, as a negotiating party, they need to have virtual assurances and guarantees that the process will evolve and not stop in midstream.

ARAB BOYCOTT AGAINST ISRAEL

Mr. ENGEL. What is the current status of the Arab boycott against Israel, and particularly the status of the Arab boycott against American companies, the secondary boycott against American companies that they deem are doing business with Israel?

I have a report here, that on May 1 the Saudi News Agency and the Agence France Press reported that companies newly added to the Arab league black list, two firms with ties to Israel, those being Rubber Maid and General Dynamics, two American companies, and since the defense industry has generally not been included in the black list, I am somewhat concerned that we were witnessing a retreat rather than the progress one would expect after our role in the Gulf War.

The thing that has always been very irritating to me—and I voted in favor of the Persian Gulf War—was that American companies, American soldiers prevented Saudi Arabia and Kuwait from

becoming the 19th and 20th provinces of Iraq and here it is 2 years later and we have boycotts of American companies when American fight people risked their lives and died on this soil. It just seems to me totally ridiculous that this secondary boycott continues.

Mr. DJEREJIAN. I couldn't agree with you more on your sentiments, Congressman, but more important Secretary Christopher agrees with you. He was very adamant and very clear on this when we made our first trip to the Middle East in making the point that it is very difficult for Americans to understand how after Desert Storm, especially, that American companies are discriminated against in the Gulf.

But let me explain to you exactly what we are doing and put this in a frame of reference. I can tell you that progress is being made on this issue. We are being very staunch in following through on this.

We continue to pursue a two-pronged strategy urging the Arab states to take concrete actions to dismantle the boycott and pressing our major trading partners to adopt strong harmonized antiboycott policies. In June, the Kuwaiti Government publicly announced that it would no longer enforce the secondary and tertiary boycott.

This will greatly reduce the difficulties that U.S. companies encounter in doing business in Kuwait.

Now, we are waiting a full implementation of that decision.

In response to our demarches, several Arab states have advised us of their intention to take a number of specific steps against the secondary and tertiary boycott including removing boycott provisions from letters of credit that have to be submitted; replacing regulations requiring negative certificates of origin for imported goods with regulations that require only positive certificates of origin; accepting foreign travel documents that indicated prior travel to Israel; and eliminating the practice of soliciting information from foreign companies for the purpose of determining whether the company complies with the boycott.

While we welcome these actions, we are urging Arab League states to follow Kuwait's example in publicly announcing steps to roll back the boycott.

Also, I can report that in May the German Government began implementing its own antiboycott regulations and we are encouraging other major trading partners to take similar actions against the boycott.

We are also very pleased that the political declaration for the G-7 Tokyo summit meeting stated the Arab boycott should end. We worked vigorously to ensure that the declaration contained a statement expressing the G-7's opposition to the boycott. So while we are not fully there, Congressman, you can see that progress is being made.

Mr. ENGEL. The report from Reuters last week was that even though Kuwait had mentioned a month or two ago that it was dropping the secondary boycott, the Kuwaiti Foreign Minister, according to a record report from Reuters, told his parliament that the Kuwaiti secondary boycott is as firm as ever. This supposedly happened just last week.

Mr. DJEREJIAN. Well, I have not seen that report. I will look into that.

Certainly the Kuwaitis have made clear their position on the secondary and tertiary boycott and that is—you are citing a Reuters report?

Mr. ENGEL. A Reuters report, yes.

Mr. DJEREJIAN. No, I have nothing on that, I will look into that. [The information follows:]

We applauded Foreign Minister Al-Sabah's June 7 public statement declaring that Kuwait would no longer enforce the "indirect" or secondary and tertiary aspects of the boycott. We welcomed Kuwait's leadership in moving towards dismantling this discriminatory trade barrier and continue to urge other Arab states to follow Kuwait's lead.

We regard Foreign Minister Al-Sabah's announcement as an authoritative statement of Kuwait's policy and believe the Finance Minister's subsequent remarks are consistent with that policy. In his remarks to the Kuwaiti Parliament, I believe that Mr. Nasser Abdulla al-Rawdhan's purpose was to provide the assembled parliamentarians with a legal justification for the Government's new policy. Apparently, the Arab League permits a member state to cease enforcing aspects of the boycott if it believes it is in its "national interest" to do so. I believe the Finance Minister was trying to show that the Kuwaiti Government remained in compliance with its legal obligations as a member of the Arab League when it used this escape clause. Foreign Minister Sabah gave a similar justification in his June 7 statement.

Mr. ENGEL. Thank you.

Thank you, Mr. Chairman.

MADRID CONFERENCE RULES

Mr. HAMILTON. Mr. Secretary, I just wanted to make sure with respect to the Madrid Conference and the rules there that our position is that those rules still hold, which requires an agreement first between Israel and the Palestinians on an interim phase before you go to a final settlement.

Mr. DJEREJIAN. That is correct.

Mr. HAMILTON. The Israeli Ambassador said not long ago that we should revisit the rules of the Madrid Conference and Foreign Minister Perez has been talking about going to a final status discussion along the lines of the Jordanian-Palestinian approach. It is clear that some people are beginning to think that the Madrid rules should be set aside, but your testimony today is that they should not be.

Mr. DJEREJIAN. At the end of the day, it is up to the negotiating parties to determine how they want to proceed, Mr. Chairman, but the frame of reference of the ongoing peace talks remains the Madrid process. There is a great deal of talk about other ideas that have been voiced from Palestinian circles, Israeli circles which are a subject of discussion.

But again I am not surprised that there is such talk about alternative approaches, but to date, Mr. Chairman, the commitment, as I stated earlier, to all the leaders is to the process that we are pursuing under the Madrid formula frame of reference.

IAEA VISIT TO IRAQ

Mr. HAMILTON. Since your time is running out, I will jump around a little bit but I wanted to ask you about Ambassador Ekeus' visit to Iraq. It was my understanding that his instructions

were, prior to his trip, that Iraq had to agree to one of three approaches: one would be to install the TV cameras; two, to dismantle the sites; and number three was to seal the sites. My understanding is that he did not achieve any of those three.

The cameras apparently are going to be installed, but not turned on. What does that help? I don't see that that gains us anything.

Do you support Ambassador Ekeus' view that he had a successful trip to Iraq?

Mr. DJEREJIAN. We are looking very hard now at the results of Chairman Ekeus' trip to Iraq. It is unclear at this time whether Iraq will comply with U.N. resolutions on its weapons of mass destruction capability. Iraq remains in noncompliance with significant provisions of Resolutions 687, which as you know is the destruction of weapons of mass destruction capability; and 707, identification of suppliers of weapons of mass destruction components and long-term monitoring under 715.

In our view, Mr. Chairman, Iraq's compliance on these WMD provisions must be unconditional. Anything less would risk undoing all UNSCOM's work to date.

Mr. HAMILTON. I don't understand how Ekeus can come in there and say we are going to install the cameras, but we are not going to turn them on and then say I have had a successful mission.

Mr. DJEREJIAN. Chairman Ekeus approved the security on discussion with interim guidance on the two rocket motor test sites; but the litmus test is whether Iraq's agreement would translate into actual compliance on the ground. And this is what we are looking very hard at, Mr. Chairman. But the whole thrust of this is actual compliance with 715 in an effective way. That is what we will be looking at.

Mr. HAMILTON. And they have to comply with all of the resolutions, as you have suggested that they must do. When we say compliance with all resolutions, is that a precondition for lifting of the sanctions that they comply with all the resolutions?

Mr. DJEREJIAN. Basically our policy is very clear, compliance with all the resolutions before sanctions can be lifted.

Mr. HAMILTON. If they were to agree that the resolution on the exporting of oil with the conditions attached to it, is that particular resolution one that has to be complied with before you lift sanctions?

Mr. DJEREJIAN. Well, the resolution on—you are referring to Resolution 707, and Resolution 712 on—

Mr. HAMILTON. That allows the limited oil sales by Iraq under specified conditions.

Mr. DJEREJIAN. Under specified conditions, Mr. Chairman, to provide humanitarian relief and food to the Iraqi people. As you know, Iraq recently resumed negotiations with the U.N. Secretariat on the implementation of these two resolutions and this allows, Mr. Chairman, Iraq to do an one-time sale of \$1.6 billion worth of oil to help finance the purchase of humanitarian supplies.

These talks have been temporarily recessed and we expect them to resume in the near future. Quite frankly, it is not clear at this time whether Iraq is willing to agree to all the conditions for oil sales that are prescribed in the resolution.

We have supported and do support the implementation of 706, 712 and as I said on all U.N. resolutions on Iraq.

Mr. HAMILTON. Well—

Mr. DJEREJIAN. Our problem on this one is that adequate controls have to be instituted on the sale of oil to assure that the proceeds of that sale of oil go to the stated purpose according to the resolution.

LIFTING OIL EMBARGO

Mr. HAMILTON. But lifting the oil embargo only requires compliance with Resolution 687; is that correct? That is the one on destruction and dismantlement of nonconventional weapons.

Mr. DJEREJIAN. But also you have 706/712, which involves the sale of oil. So there are two separate resolutions.

Mr. HAMILTON. That is the point I am trying to clarify in my mind. I was under the impression—perhaps mistakenly—that lifting the oil embargo only required compliance with Resolution 687. You are saying lifting that oil embargo requires compliance with all the resolutions?

Mr. DJEREJIAN. No, 687 specifies the terms under which the sanctions would be lifted in part.

Mr. HAMILTON. Right.

Mr. DJEREJIAN. But basically what I am trying to do is make the distinction between the very special case of 706/712 which allows a one-time sale of Iraqi oil for stated humanitarian ends. That certainly can proceed as long as we are assured that adequate controls are instituted to ensure equitable distribution of food, medicine and other essential human needs to all people in all parts of Iraq. They will require the lifting of the Baghdad regime's economic embargo of northern Iraq, also. We also want to assure that Turkey benefits should the resolutions be implemented.

Mr. HAMILTON. Let me state what I think the situation is and then you may want to correct me or you may want to furnish something for the record.

But Iraq has to comply with all of the resolutions in order to get the ban lifted with respect to imports coming into Iraq.

Mr. DJEREJIAN. That is correct.

Mr. HAMILTON. Then Iraq has to comply only with U.N. Resolution 687 to lift the ban with respect to exports of oil; is that your impression?

Mr. DJEREJIAN. That is my impression but let me give you a studied response on that. I will give you a written response.

Mr. HAMILTON. OK.

[The information follows:]

This administration has made clear that our objective is full Iraqi compliance with the provisions of all U.N. Security Council resolutions. With respect to resolution 687, which addresses circumstances under which sanctions may be ended, it is clear that Iraq must be in full compliance with all weapons of mass destruction-related (WMD) provisions before the Council can consider lifting oil export sanctions. These requirements have been further elaborated by the Security Council in UNSCRs 707 and 715.

We are far from a point where the Security Council needs to begin considering lifting oil export sanctions. Iraq remains in violation of key provisions of UNSCRs 687, 707, and 715. Until Iraq is much closer than it is now, we see no purpose in engaging Iraq in negotiations on terms for lifting sanctions. That will only encourage Iraq to believe it can escape the requirements that the Council has established.

DEMOCRACY IN IRAQ

Mr. HAMILTON. Let me ask you further on the prospect of democracy in Iraq.

We want obviously to support that. Specifically, what are we doing now to try to support democracy in Iraq? I am thinking that we lend our support, do we not, to the Iraqi National Congress?

Mr. DJEREJIAN. That is correct.

Mr. HAMILTON. Can you tell me a little bit about the Iraqi National Congress?

Do they support constitutional democracy in Iraq? Are they an effective group? What is their position, for example, on Kurdish autonomy and the Shi'ites in the South?

Mr. DJEREJIAN. Well, we have had extensive interaction with the Iraqi National Congress and for a long time we have been encouraging them to broaden their political base to become more representative of the very diverse segments of Iraqi society. And the Iraqi National Congress now has expanded its base. It is much more representative now than it was a year ago.

In our discussions with them—as you know, Secretary Christopher met with them—they have very directly given us their commitment for a democratic future for Iraq. This is underscored to us by the Kurdish elements in the Iraqi National Congress represented by Mr. Talabani and Mr. Barzani that they see Kurdish interests fostered in a democratic Iraq in which all the political groups and ethnic groups can participate fully in the political process.

The Shi'ite representative also made the same reflection to us as did the Sunni representative. Of course there are other ethnic representatives in the Iraqi National Congress. So basically they have played a commitment to—as they see their own interests in Iraq—a future Iraq fostered by a broadened political participation. This is obviously something that we encourage.

INC

Mr. HAMILTON. Do we support the INC?

Mr. DJEREJIAN. We support the INC, yes.

Mr. HAMILTON. Do we think it is a viable alternative to the present regime? Is it the only alternative?

Mr. DJEREJIAN. It is the only organized viable opposition that is organized now.

POSITION OF SADDAM HUSSEIN

Mr. HAMILTON. OK. Now, just a quick impression from you with regard to Saddam Hussein's position. Do you think it is strengthened or weakened in recent months?

Mr. DJEREJIAN. I think you have seen much written in the press recently about the situation in Iraq and on his situation. The economic situation in Iraq has deteriorated rather dramatically, Mr. Chairman, and Saddam Hussein's position is, I think, he has had to do a great deal of building from within, trying to shore up his position in the wake of the serious deterioration in the economic situation.

For example, Iraq has completed some highly visible reconstruction of basic infrastructure, but the overall progress is uneven and difficult to sustain, and recent travelers and journalists are reporting a growing sense of economic strain and public discontent in Iraq.

Mr. HAMILTON. Do you sense that he is weaker politically than he was a few months ago?

Mr. DJEREJIAN. Yes, I do.

Mr. HAMILTON. So his political position is deteriorating and the economic situation is sharply deteriorating, is that correct?

Mr. DJEREJIAN. Yes, and it is also suggestive that the sanctions regime is biting, but it is very difficult to quantify.

But U.N. sanctions have cut Iraq's living standards to half the prewar level and inflation is 250 percent over prewar levels. The Iraqi dinar's value on the black market has plunged and its official rate of exchange bears no resemblance to its actual value.

Mr. HAMILTON. Is this probably the reason that he is trying to sell oil now?

Mr. DJEREJIAN. Oh, absolutely, sir.

Mr. HAMILTON. I know your time is up.

Mr. DJEREJIAN. I have no doubts about that at all.

SITUATION OF THE KURDS

Mr. HAMILTON. Let me ask you to comment quickly on the Kurdish situation, if you would. Our understanding there is that the situation for the Kurds in the North is becoming increasingly acute. It may be even desperate. Do we have any plans to address that problem?

Mr. DJEREJIAN. Well, Mr. Chairman, we are certainly addressing the humanitarian relief situation in the North and we have been very actively engaged in humanitarian relief efforts.

We are working closely with the United Nations and other organizations to provide humanitarian relief to the people of northern Iraq to counter the effects of Baghdad's internal economic embargo. This year we will spend \$23 million appropriated in the Defense Department supplemental to help provide essential humanitarian needs and limited infrastructure repair needed to help deliver relief assistance.

Mr. HAMILTON. Well, write it in the statement.

Mr. Secretary, that money you didn't request. That was put in by the Congress.

Mr. DJEREJIAN. And we appreciate Congress doing that, sir.

Mr. HAMILTON. Yes.

Mr. DJEREJIAN. And I will be the first to state my appreciation for Congress' role in this.

Mr. HAMILTON. In your statement you omitted the fact that Congress put that in.

Mr. DJEREJIAN. But I knew you would ask that.

Mr. HAMILTON. In any event, you agree that the situation there is very critical and that more attention is needed to it, I presume.

Mr. DJEREJIAN. Yes, sir.

Mr. HAMILTON. And the—I wanted to be clear with regard to the U.N. sanctions. You have U.N. sanctions that apply to the Kurds.

That is part of the problem, isn't it? Are we trying to adjust any of those U.N. sanctions now?

Mr. DJEREJIAN. The U.N. sanctions apply to Iraq in its entirety.

Mr. HAMILTON. Therefore, it impacts——

Mr. DJEREJIAN. Therefore, it impacts in the North, impacts in the South, it impacts in the center. But obviously what we have is various resolutions such as 778 on Iraqi frozen oil assets to use that money to fund humanitarian relief efforts and the work of people like Vanderstahl, the U.N. rapporteur for human rights, wanting to put human rights monitors in Iraq which we support.

Mr. HAMILTON. The Kurds are seeking to bring a Mobile Oil refinery into the North in order to help them meet their fuel needs which are very, very great.

The British support that proposal, as I understand it. We do not. Is that correct?

If we don't, why don't we support that?

Mr. DJEREJIAN. I think the whole issue of partial lifting of or selective lifting of sanctions and how that impacts our overall sanctions regime.

Mr. HAMILTON. If you lifted some of these sanctions with respect to Iraq, the Kurds in Iraq, wouldn't that give incentives to other Iraqis to rid themselves of Saddam Hussein?

Mr. DJEREJIAN. We would have to see. I couldn't put a cause and effect equation on that, Mr. Chairman.

Mr. HAMILTON. I am very interested in your policy toward the Kurds and how you deal with those U.N. sanctions and what can be done to relieve the pressure on the Kurds.

Mr. Secretary, we will pursue that and some other matters with you. Your time is up. We thank you for your appearance. We stand adjourned.

[The information follows:]

We remain deeply concerned about the condition of all Iraqis. The Iraqi Government must fulfill its obligations under UNSCR 688 to allow humanitarian access to people in need and cease repression of its civilians. Our commitment to all the Iraqi people is part and parcel of our policy to maintain Iraq's territorial integrity.

The humanitarian situation in northern Iraq, home to the Kurds in addition to other Iraqi minorities, is grim, but comparatively better than that of last winter. The provision of \$40 million helped avoid disaster. DOD has \$15 million from previous years and Congress recently approved a \$23 million supplemental relief bill, part of which we are using to help fund local food purchases through the World Food Program. We are working with the United Nations and private relief organizations to provide assistance. Operation Provide Comfort, a combined command with Turkey, the UK, and France, continues to prevent Iraqi flights north of the 36th parallel and Iraqi troop movements into the security zone.

We took the lead at the June conference in Geneva on humanitarian relief for Iraq. At the same time, we have been urging other member states of the U.N. to transfer funds to the UNSCR 778 escrow account set up to fund U.N. operations in Iraq. So far we have contributed approximately \$100 million to this fund, matching contributions by Saudi Arabia, Kuwait, and others.

Most recently, the Iraqi Government has deliberately cut off electricity supplies to the northern governorates (since August 5), affecting water supplies and impinging significantly on medical services. The U.N. has already attributed over 50 deaths to the electricity crisis. In addition, the northern populations, largely dependent on electricity for home heating, could suffer during the winter if the problem is left unaddressed. We are working with the U.N. office of humanitarian affairs, the sanctions committee and private organizations to find ways to provide immediate relief to the civilian populations of northern Iraq.

Mr. DJEREJIAN. Thank you very much, Mr. Chairman.

Mr. HAMILTON. Thank you.

[Whereupon, at 12:05 p.m., the subcommittee was adjourned.]

APPENDIX

STATEMENT OF

EDWARD P. DJEREJIAN

ASSISTANT SECRETARY OF STATE
BUREAU OF NEAR EASTERN AFFAIRS

BEFORE THE

SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST

HOUSE FOREIGN AFFAIRS COMMITTEE

JULY 27, 1993

(29)

Thank you, Mr. Chairman.

Mr. Chairman and distinguished members of the Subcommittee, when I was asked some time ago to come up to testify, we agreed to a briefing on the full range of issues in U.S. policy toward the Middle East. I intend to fulfill that commitment, but I know that you are very concerned about the recent developments in southern Lebanon, so I will start my statement with some observations about the current hostilities. Afterward, I will review the peace process, Iraq and Iran, and offer some further comments on Islam and the United States policy on this subject. Following that I will be pleased to answer your questions.

Renewed Fighting in Lebanon

We are very disturbed by the latest escalation of violence in southern Lebanon and northern Israel. The decision to cut short Secretary Christopher's trip to Asia and Australia reflects the gravity with which the Administration views the outbreak of hostilities.

We have held intensive discussions with the governments concerned and have called on all the parties to exercise restraint. Secretary Christopher, speaking from Singapore, noted that this violence is counter-productive for the peace process and said that we are working urgently with our Russian co-sponsor to end this violence.

We deeply regret this latest outbreak of violence in southern Lebanon and northern Israel. The US remains determined to advance the peace process, and will not be deterred by those extremist groups who violently oppose peace. Secretary Christopher has stated that Hizballah has been an opponent of the peace process, and that we must not let the opponents of the peace process undermine it. We will continue to urge the parties to resolve their differences through negotiations and we will do our part to contribute to a settlement.

Mr. Chairman, and members of the Subcommittee, the violence in southern Lebanon is yet another reminder of the urgent need to achieve a just, lasting and comprehensive peace in the Middle East. Let me now describe for you the status of the negotiations.

Middle East Peace Process

As the Secretary prepares for his second trip to the Middle East, I would like to give you our assessment of where we are in the negotiations since my last appearance before the Subcommittee and to assess the prospects for progress in the months ahead. President Clinton and Secretary Christopher continue to attach great importance to the search for Arab/Israeli peace, and they believe there are real possibilities for breakthroughs in 1993. In the first instance, it is essential that the parties themselves take the decisions necessary to translate the promise of peace into a reality. The United States will continue to do everything it can to assist them in the effort. Our role continues to be one of a full partner and honest broker with all the parties.

After a prolonged hiatus, the bilateral peace negotiations resumed in Washington in May. Secretary Christopher exerted considerable efforts to create the conditions for the resumption of negotiations, including intensive and frequent consultations with the parties. The visits to Washington of Prime Minister Rabin, President Mubarak, and King Hussein also afforded President Clinton the opportunity to explore the prospects for peace and reaffirm his strong commitment to achieving progress in the talks.

In May and when negotiations resumed in June, the Israeli and Palestinian sides worked to narrow differences on a draft Declaration of Principles which would guide their negotiations on interim self-government negotiations. Each side put forward a draft. They created working groups in which they debated the concept of interim self-government and issues related to land and water. They also created a working group on human rights to deal with the conditions on the ground.

The U.S. team spent many hours in intensive discussions and debate with both sides, designed to think through the positions they had put forward and to see whether ideas could be conceived to help bridge the positions.

On May 12, the U.S. put forward a short political statement which had two purposes: first, to convey to Israelis and Palestinians a sense of movement in the negotiations; and second, to try to capture areas of emerging agreement in the respective Israeli and Palestinian positions. When the parties reconvened in Washington in June, the U.S. team continued

working intensively with the two sides in an effort to narrow substantive differences. After nearly 50 hours of discussion, the U.S. put forward a draft on June 30 which was broader in scope, and which could serve as a basis for further discussion and elaboration between the parties.

Since then, Mr. Chairman, we have been in almost constant contact with the parties to hear their views and detailed comments on the draft. Our Special Middle East Coordinator for the peace talks, Dennis Ross, and I traveled with our team to the region several weeks ago to probe further for detailed reactions to the draft. We made clear that the draft is not a statement of U.S. policy, and it is not set in stone. Rather, it is, and remains, a tool for the parties to use to overcome differences and reach a Declaration of Principles. Secretary Christopher will intensify this effort during his visit to the region. We believe this is a practical and workable way to proceed, and look forward to detailed substantive discussions with the negotiating parties.

We have also been discussing with the parties the concept of "early empowerment," that is, the early transfer to Palestinians of significant powers and responsibilities even before formal agreement is reached on interim self-government arrangements. In our discussions, we have made clear our view that such early empowerment is not an end in itself, nor a substitute for interim self-government, nor a new interim phase. Rather, it is an opportunity for Palestinians to start building institutions and preparing to govern themselves. We also hope to attract international financial support for this concept. Indeed, empowerment is the essence of interim self-government, and we are encouraging all sides to take it seriously.

I have focused on the Palestinian-Israeli track, but I also want to mention where things stand in the other bilateral negotiations and in the multilateral discussions. Syria and Israel continue to negotiate over a Declaration of Principles. They remain divided over the core issues of withdrawal, peace and security, as well as over the relationship between bilateral and comprehensive peace. From our recent discussions in the region with Prime Minister Rabin and President Asad, it is clear that these differences, however deep, have not changed both parties' fundamental commitment to negotiate peace. This sustained engagement by Syria and Israel

is important. Over the past months, President Clinton has been in contact with the leaders of both sides, and we believe that active U.S. intermediation -- in which we invest in and build on the ideas and proposals of the two parties -- holds real promise. Secretary Christopher will be pursuing this approach during his upcoming trip.

Jordan and Israel have nearly concluded work on a substantive agenda, and experts from both sides continue their intensive engagement on issues ranging from the environment to banking.

While I will address the renewed violence and fighting in Lebanon momentarily, let me say that Lebanon and Israel have made some progress in narrowing differences on the formation of a security subcommittee. Both sides have submitted drafts, and the Lebanese are now considering the latest Israeli proposals made as the negotiations adjourned in June. Despite the escalation in Lebanon, it is our intent to pursue these efforts with both the Lebanese and Israelis in the weeks ahead.

Multilateral Negotiations

The multilateral dimension of the process is working well. As I have noted before, the multilateral track is designed to facilitate and complement the bilateral negotiations. One of the goals of the multilateral negotiations is to demonstrate that peace will bring concrete benefits to all the peoples of the region. This includes not only the parties in the bilateral negotiations, but also states in the Maghreb (North Africa) and the Gulf.

Earlier this month, I had the privilege of co-chairing the meeting in Moscow of the Multilateral Steering Group along with the Director for the Middle East and North Africa from the Russian Foreign Ministry. Other participants were Israel, a joint Jordanian/Palestinian delegation, Egypt, Saudi Arabia (representing the Gulf Cooperation Council), Tunisia (representing the Maghreb), the EC, Japan and Canada. Despite

our continuing urging, Syria and Lebanon have yet to participate in the multilateral phase of the peace process. They say they will not attend until there is more progress in the bilaterals. I would like to point out that Israel and diaspora Palestinians now participate in all the working groups, and the United Nations is now represented in all groups as well.

The Steering Group produced a number of positive results. We believe there is major symbolic significance in the group's agreeing for the first time to convene two of its five working groups in the Middle East region this fall -- the Refugee group in Tunisia, and the Environment group in Cairo. This is no small accomplishment. Leading the way in this effort, Egypt hosted an intersessional workshop on Arms Control and Regional Security in early July.

It is a further measure of progress that the group agreed on language for the final statement to encourage badly needed financial support for the Palestinians in the West Bank and Gaza. Namely, as part of its aim of stimulating regional economic development, the Steering Group recognized the particular needs of the Palestinians as they move toward interim self-government. The Steering Group also expressed its hopes that additional funds will be made available to the Palestinians to meet their current pressing needs and responsibilities and those that might be assumed even prior to agreements reached between Israel and the Palestinians on interim self-governing arrangements.

The five multilateral working groups are making progress in addressing some of the region's fundamental needs. Let me briefly describe some of their activities:

- The Economic Development Working Group is engaged in a wide range of activities including infrastructure training and tourism development. Using a World Bank economic analysis, this group is identifying priority infrastructure projects for the region and the occupied territories.
- The Water Working Group has 12 separate activities underway, including workshops, seminars, and on-the-ground studies of water conservation, demand management, water sector training needs, brackish water desalination, and enhancing water data availability.
- The Refugee Working Group is dealing with issues of family reunification, human resource development (including training and job creation), public health and child welfare, and social and economic support systems.

- The Environment Working Group has been holding workshops, training seminars, and discussing long-term projects dealing with maritime pollution, wastewater treatment alternatives, environmental management, and desertification.
- The Arms Control and Regional Security Working Group is furthering its work on confidence-building measures with the challenging goal of enhancing regional stability by developing expertise on arms control issues.

We view the robust activities of these working groups as laying an important foundation upon which durable and cooperative exchanges among all parties of the region can deepen and expand in the future. Indeed, such cooperative regional endeavors would constitute an important element of the vision of peace related to an Arab/Israeli peace settlement.

Before I move on to other topics, I would like to make an important point about the continued U.S. commitment to the peace process. Two factors are key -- that the parties themselves are committed to the process and that the issues are amenable to being worked out in these negotiations. So long as those two conditions obtain, there is a basis to make real progress and we are prepared to do our part.

IRAQ

Mr. Chairman and members of the Subcommittee, let me now turn to Iraq, and give you our assessment of the current state of affairs.

The fundamental precepts of our policy on Iraq have remained consistent from the beginning of the Administration. We seek Iraq's full compliance with all relevant UN Security Council resolutions and with all measures taken by the Coalition to monitor and enforce those resolutions. This is a long-term policy which keeps in check the threat from Iraq to our vital interests in the Gulf region. It is consistent with our resources, broadly supported internationally and by key regional states, and sustainable over time. Our concerns include not only a focus on physical threats to our interests but a broader determination to see Iraq move one day to a democratic future with a government which can live in peace with its own people as well as its neighbors. This Administration's resolve against Iraq's lawlessness is and will remain unwavering, as demonstrated by the strike against the Iraqi intelligence headquarters in response to the attempted assassination of former President Bush.

I must tell you that we see no evidence that the Government of Saddam Hussein is prepared to comply fully with the UN resolutions. Iraq's initial refusal to allow UNSCOM cameras at missile production facilities was in conflict with an absolutely central provision of the resolutions requiring long-term monitoring of weapons production capabilities. This is found in UN Security Council Resolutions 687 and 715. There is no alternative to Iraq's full compliance. Without long-term monitoring all the work to date on weapons destruction would be wasted. I would add that this is an issue on which support in the Security Council is very strong. We intend to continue close cooperation with our allies to ensure that the mission of the United Nations Special Commission on Iraq is fulfilled.

In order to alleviate some of the suffering visited on the Iraqi people by Saddam Hussein's rule, the U.S. supports the implementation of resolutions 706/712 which allow Iraq to sell oil to finance the purchase of food and other basic supplies. The resolutions require that the UN control Iraq's overseas oil sales, and the proceeds from those sales, to ensure that they are used to fund humanitarian supplies and UN operations in Iraq. Under these resolutions, the UN would also monitor the distribution of humanitarian supplies. It is essential that the implementation of Resolutions 706/712 not become a back door to the lifting of sanctions without full compliance with all relevant resolutions. The last round of talks with Iraq

were recessed without result. We will be watching attentively to ensure that any agreement fully meets the need for adequate monitoring of both the sale of the oil and the distribution of humanitarian items to all the people in Iraq, not just to supporters of the regime. For example, we believe that Saddam's continuing blockade of Northern Iraq is inconsistent with the requirements of Resolutions 706/712, and must be lifted. Additionally, as agreed in Resolution 712 and in order to maintain adequate monitoring, we strongly support the use of the Turkish pipeline to transport Iraqi oil sold pursuant to 706/712.

Our efforts to limit repression under UNSCR 688 continue and are consistent with our goal of maintaining the territorial integrity of Iraq. In the South, the no-fly zone has prevented Iraqi air attacks and limited large-scale offensive action. Smaller-scale repression by Saddam Hussein's forces continues as do efforts to drain portions of the marshes and burn villages. The situation would be far worse, in our view, were Coalition aircraft not overflying the area on a daily basis. In the North, operation Provide Comfort was recently renewed by the Turkish Parliament. We welcome Turkey's action which was taken by a large majority and which demonstrates Turkey's ongoing support for the Coalition.

Our humanitarian concern for the people of Iraq is steadfast. In June, we participated actively at a conference in Geneva which set priorities for international assistance programs. We continue to press our allies in the UN for creation of a commission to investigate Iraq's war crimes and crimes against humanity. In the North, our goals are to prevent a crisis next winter and to begin rehabilitation for the most destitute population, impoverished by Iraq's relentless embargo of its own people. Our relief efforts were strengthened by the additional \$23 million appropriated in the Defense Department's supplemental appropriation. A part of these funds will go for local purchase of crops to avert a shortage of grain this winter. We continue to support relief in southern and central Iraq with consideration given to the need to monitor distribution adequately.

In all of these areas we see the need for consistency, strong US leadership, and the maintenance of broad international support. We have that support. The Coalition is fundamentally solid. We will continue to enforce the UN resolutions and to demand Iraq's full compliance, now and in the future. At the same time, we will continue to hold out the prospect of cooperation and a lightening of burdens to a future Iraqi leadership committed to a representative government that reflects Iraq's diverse population, and which is willing to live in peace with its own people and its neighbors.

IRAN

Let me now make a few comments on our policy toward Iran.

Our differences with the Iranian government grow from our deep objections to specific Iranian behavior. Those objections focus on five areas.

First is Iran's quest for nuclear and other weapons of mass destruction. We are working with our allies to develop a consensus on multilateral controls on the export of sensitive technology to Iran. We are particularly concerned with preventing Iran from acquiring the means to produce and deploy nuclear weapons and other weapons of mass destruction, as well as ballistic missiles.

Second is Iran's continued involvement in terrorism and assassination worldwide. Since 1988, Iran's record of assassinating political dissidents forms a consistent and continuous pattern reflecting Iranian policy approved at the highest levels. Until it abandons support for terrorism and terrorist groups, we will maintain existing unilateral counterterrorism sanctions on Iran.

The third area of Iranian behavior to which we strongly object is its support and advocacy of violence to stop the Arab-Israeli peace process. Iran's efforts to mobilize extremist groups -- both Islamic and secular -- against the peace process is especially troubling. Iran continues to call publicly, at the highest levels, for the destruction of Israel. The fighting in southern Lebanon today has been a deliberate provocation by Hizballah, a terrorist organization which receives extensive support from Iran.

The fourth aspect of objectionable Iranian behavior is its threats and subversive activities against its neighbors.

Fifth is Iran's dismal human rights record, which is a matter of continuing concern.

Our long-standing sanctions remain. In addition we seek increased and focused bilateral and international pressure to convince Tehran that it cannot hope to have normal relations with the international community while acting against the norms of that community. We do not seek a total embargo or quarantine of Iran. Instead, we are focusing our efforts on those areas we believe can have maximum impact on Iranian calculations of the costs and benefits of their behavior.

We are taking active steps to support this policy. At President Clinton's suggestion, the Tokyo G-7 summit political declaration for the first time alluded specifically to Iran's unacceptable behavior. When Secretary Christopher met with EC and Canadian Foreign Ministers in Luxembourg in June, he reached an agreement on the formation of a US-EC-Canadian working group on Iran. I led our delegation in the first working group session on July 9 in Brussels, which began discussions on a common agenda for future work. We are also engaged in a parallel effort with Japan. On a separate track, we are pursuing efforts to reform controls on sensitive technology exports. Undersecretary Davis recently began intensified consultations with G-7 states to give this process new momentum.

Let me make our policy clear. We do not seek to overturn the Iranian government, nor to dictate the form of that government. We do intend to use extensive economic pressure to induce Iran to change the behavior we find unacceptable. Our focus is on Iranian behavior. This distinction is central to our efforts to enlist key allies in efforts which complement our own. It also makes clear to Iran that changes in its behavior will serve the broader interests of the international community and Iran's own interests, if it seeks to be a full-fledged member of the community of nations.

Our policy does not exclude dialogue with Iran. Indeed, it is important that Iran understand us clearly on this point. Our offer of a dialogue with authorized Iranian representatives remains valid. We have no preconditions for such a dialogue. We have, however, made clear that we will bring our full range of concerns to the table. Until Iran chooses to respond to this offer, we continue an indirect dialogue through the Swiss. In any case, normal relations with Tehran are impossible as long as Iran continues to engage in its current behavior.

Islam and the U.S.

Mr. Chairman, let me conclude with a few words about a subject I have addressed in the past before this committee, but which warrants our continuing close attention, particularly in light of heightened public concerns caused by the World Trade Center bombing and the attempts against other targets in the New York area. That is Islam, and U.S. Government policy.

As Secretary Christopher, I, and other Administration spokesmen have made clear, we view Islam with profound respect. As a civilizing force in history, it has enriched our own culture; it is the religion of many American citizens. We reject the notion that a renewed emphasis on traditional values in many parts of the Islamic world must lead inevitably to conflict with the West. We do not regard Islam as the next "ism" replacing international communism.

There are certain manifestations of what some have described as an Islamic revival which are a cause for concern. But we need to be clear about the nature and provenance of potential threats to U.S. interests. Otherwise, we may fall victim to misplaced fears or faulty perceptions.

What does our analysis show? It shows that, throughout the Middle East and North Africa today, there is a widening debate over Islam's role in societies seeking to cope with the pressures of modernity. What is striking about this debate is its diversity from one country to another.

While we detect no monolithic international effort behind various Islamic movements, we are seriously concerned over Iran's exploitation of Islamic extremist groups throughout the region and over Sudan's role in supporting such groups in North Africa. Increasing coordination between such regimes and extremist groups and their resort to terrorism needs to be watched very closely. In the last analysis, however, it should be noted that social injustice -- the lack of economic, educational and political opportunities -- gives the extremists their constituency in each country.

The U.S. can and does have close relationships and dialogue with states which describe themselves as Islamic and seek to govern in accordance with the traditions of Islam. Also, we have taken the lead internationally in a number of instances to alleviate Muslim suffering -- in Kuwait, in Somalia, and in Northern and Southern Iraq. Further, our efforts in trying to achieve an Arab/Israeli peace settlement is based on a fervent desire to bring peace and prosperity to all the peoples of the region.

But let me be clear. We part company with those individuals -- and governments -- who seek to advance their agenda through violence, through terror, through intolerance, through coercion. Our quarrel is with extremism, whether in a religious or secular guise. And we will oppose it through all appropriate means, whether it occurs on the streets of New York or Mogadishu. And I would join in the praise for the law enforcement agencies which have thwarted acts of terrorism both here and abroad.

Those who seek to promote social justice and broaden political participation in the Middle East and North Africa through peaceful means will find us supportive, as we have been elsewhere. But those who would use the democratic process merely to achieve and monopolize political power will not find us on their side. As I have said before: while we support the principle of "one man, one vote," we do not support "one man, one vote, one time."

Mr. Chairman and members of the Subcommittee, I would like to close with a perspective based on my years as a public servant, as someone with long experience in the Middle East, and as a son of immigrants.

America's strength lies in its respect for law combined with its tolerance of the customs, religions, and practices of the many immigrants who have made this country great. These noble attributes attract people to our shores and cause other nations to emulate our system.

We must never permit the actions of a violent minority of any creed or origin to form our attitudes toward entire groups. While we must be vigilant in protecting our basic values and democratic way of life, we also need to determine what we have in common with other societies. While there are important differences, we and the vast majority of peoples of the Middle East share common aspirations of peace, social justice, and prosperity for ourselves and our children.

As the President and the Secretary have said repeatedly, we cannot separate our foreign from our domestic policies. The success of our policies in the Middle East rests more than we might imagine on the perception that the United States is a land of vigilance wedded with tolerance, and firmness guided by fairness.

Thank you very much

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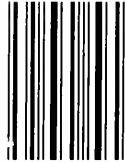


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